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# Comparative Analysis of Salaries in Investment Banking in Spain

November 2009



## CONTENTS:

### Comparative Analysis of Salaries in the Investment Banking Sector

- 1 Executive Summary
- 2 Data
- 3 Conclusions
- 4 The Firm



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# 1 Executive Summary

## OBJECTIVE (I)

As in previous editions, this document intends to show the actual situation of Investment Banking in Spain by analyzing the salary ranges of various executive positions and making comparisons with the same data collected in 2008.

For the purposes of the study, the principal international banks, Spanish banks, and M&A boutiques were analyzed.

The collected data corresponds to the salaries of Managing Directors, Directors, Vice Presidents and Associates of these entities. We analyzed the fixed and variable salaries as well as the non-monetary benefits for each of these professional categories.

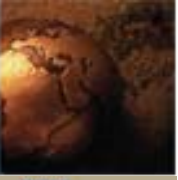


# 1 Executive Summary

## OBJECTIVE (II)

Our study once again collects not only the comparative results of the monetary retribution, but also includes intangible elements of the non-monetary retribution such as:

- Restaurant Tickets
- Car Leasing
- Pension Plans
- Stock Options
- Health Insurance
- Life Insurance
- Other (i.e. monthly gym membership, parking, social clubs, etc.)



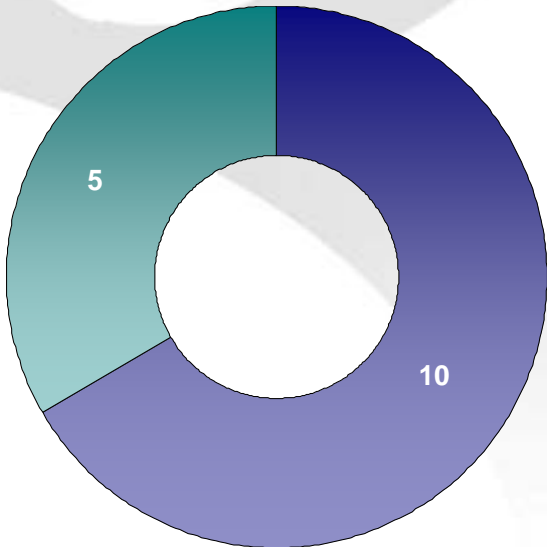
1 Executive Summary

OBJECTIVE (III)

National and International Institutions based in Madrid

Leveraged & Acquisition Finance (15 institutions)

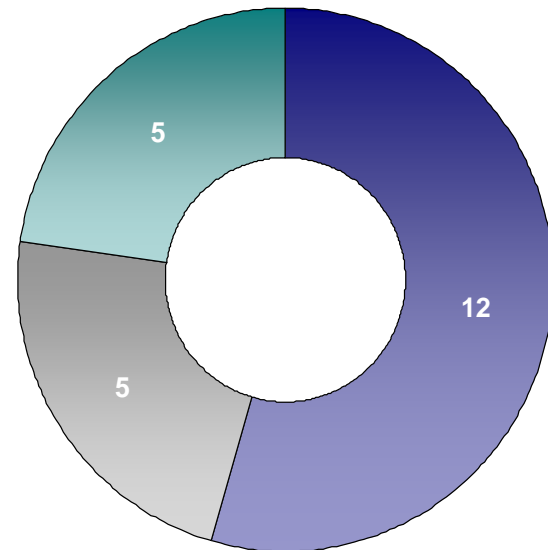
Approx. 5 professionals per institution



Foreign Banks National Banks

Mergers & Acquisitions (22 institutions)

Approx. 8 professional per institution



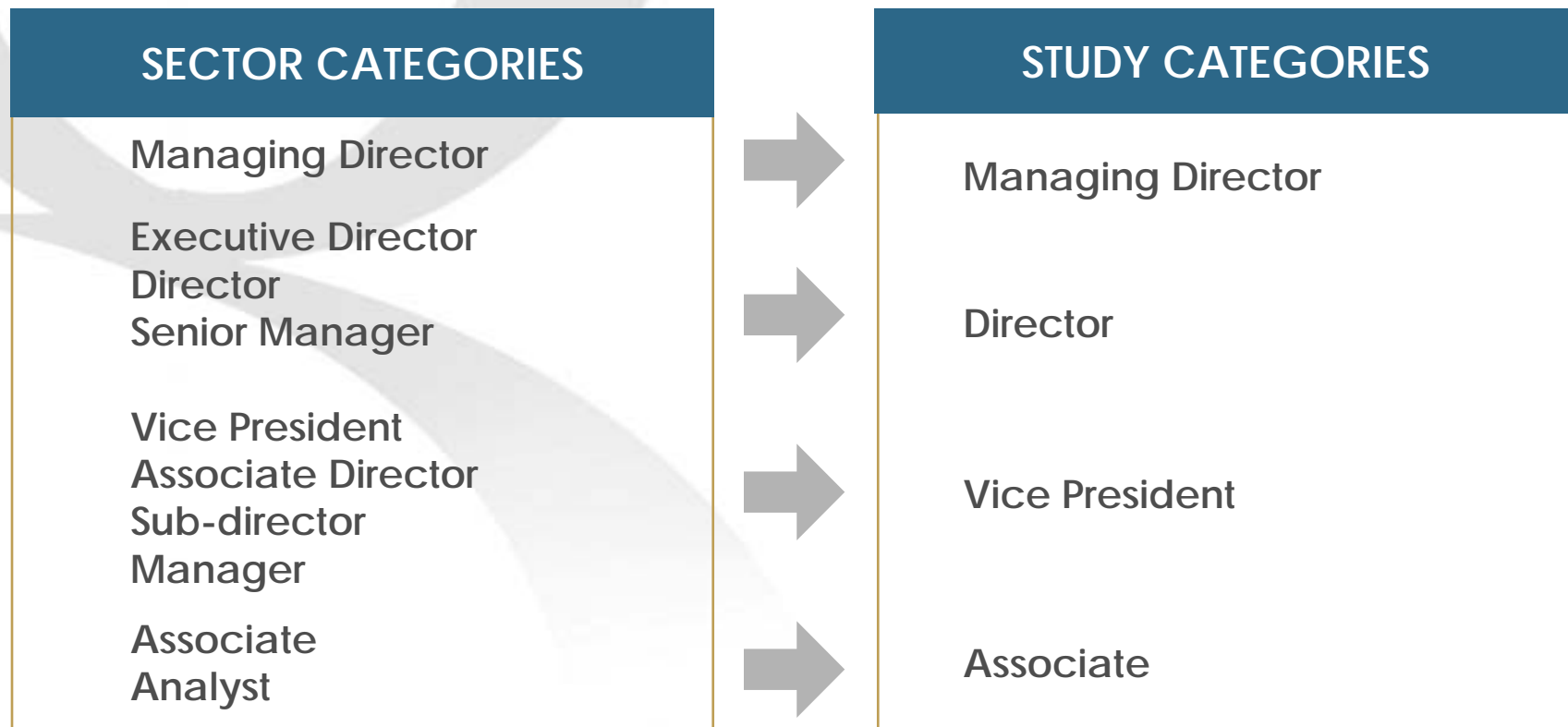
Foreign Banks National Banks Boutiques



## 1 Executive Summary - *Professional Categories*

For the purposes of this study we have standardized the terminology used for the various professional categories across the various institutions analyzed:

### Leveraged Finance/ M & A





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2 Data

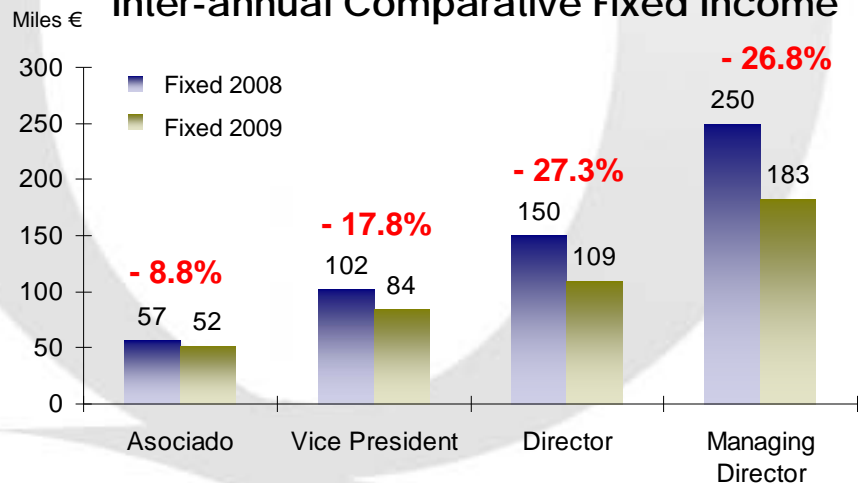
**Salary Structure for Leveraged & Acquisition Finance**

	FIXED			VARIABLE			TOTAL
	Minimum	Average	Maximum	Minimum	Average	Maximum	Total Average
Associate	35.000 €	52.000 €	95.000 €	14.000 €	26.000 €	72.000 €	78.000 €
Vice President	50.000 €	84.000 €	120.000 €	20.000 €	56.000 €	101.000 €	140.000 €
Director	65.000 €	109.000 €	140.000 €	30.000 €	70.000 €	120.000 €	179.000 €
Managing Director	100.000 €	183.000 €	300.000 €	100.000 €	192.000 €	288.000 €	375.000 €



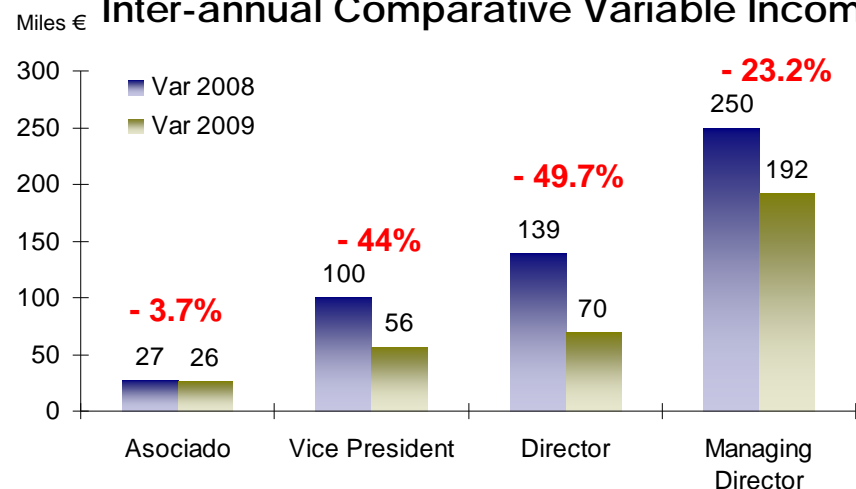
## 2 Data

### Inter-annual Comparative Fixed Income

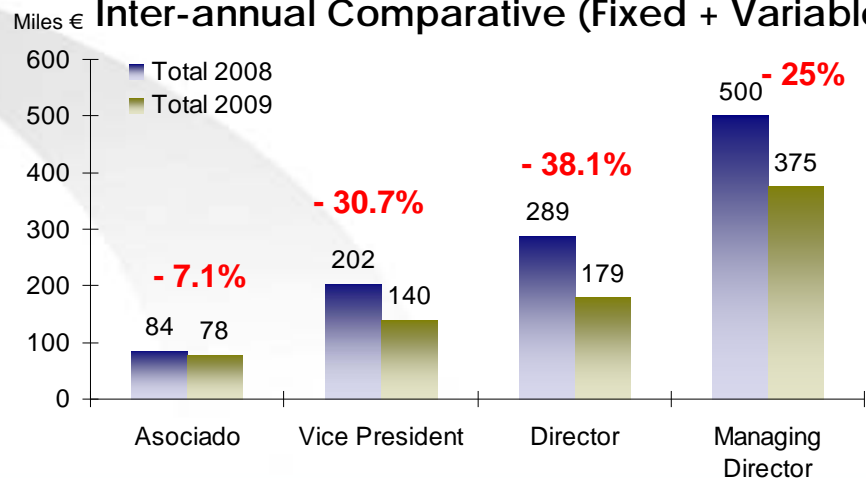


### Salary Structure for Leveraged & Acquisition Finance

### Inter-annual Comparative Variable Income



### Inter-annual Comparative (Fixed + Variable)





2 Data

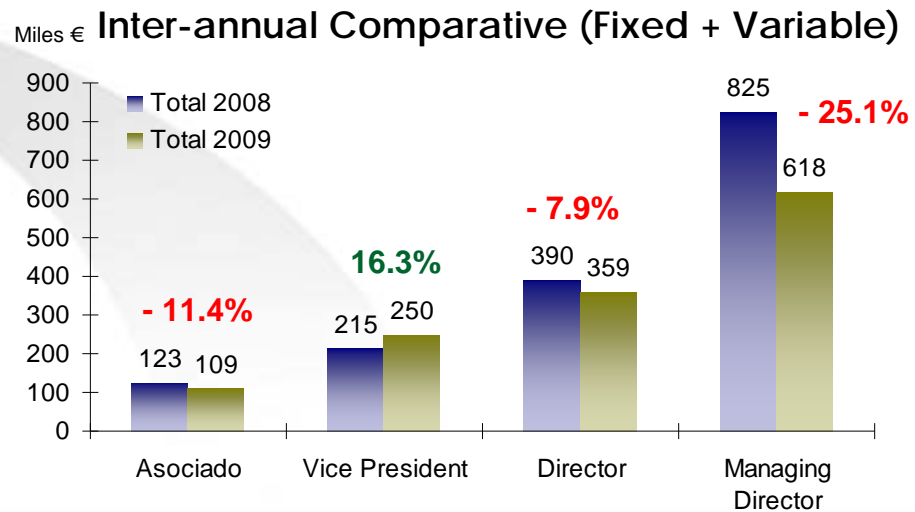
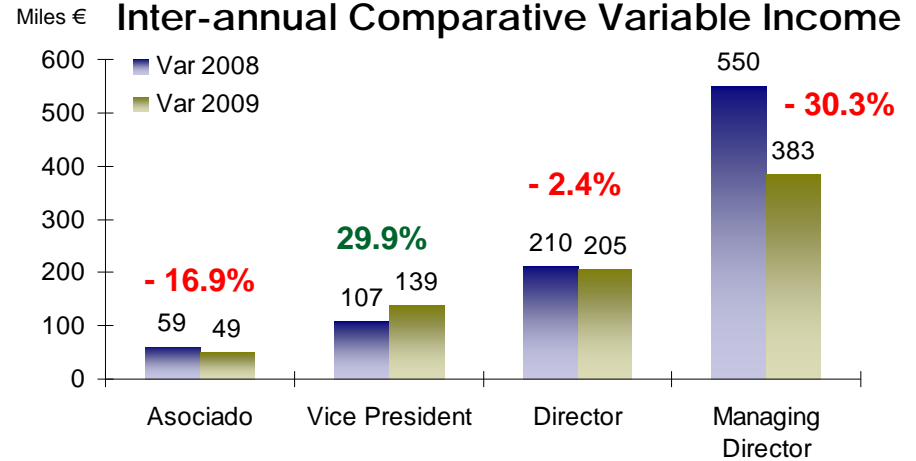
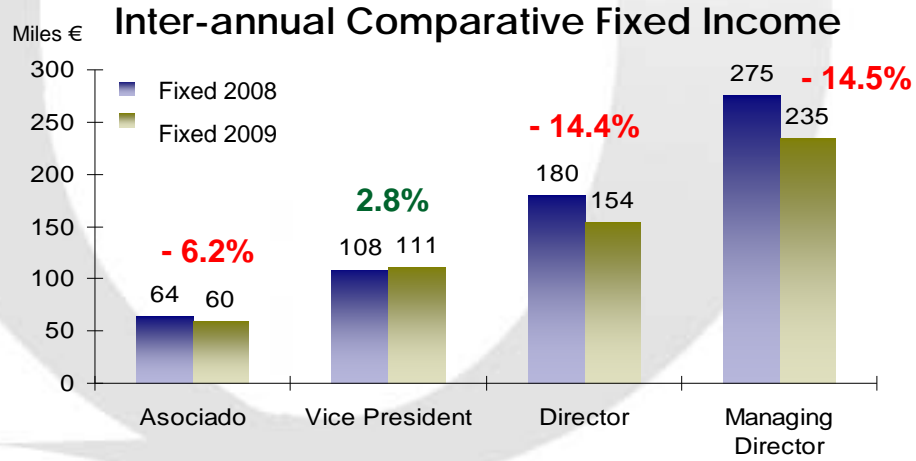
**Salary Structure for Mergers & Acquisitions**

	FIXED			VARIABLE			TOTAL
	Minimum	Average	Maximum	Minimum	Average	Maximum	Total Average
Associate	34.000 €	60.000 €	83.000 €	13.000 €	49.000 €	124.000 €	109.000 €
Vice President	80. 000 €	111.000 €	140.000 €	20.000 €	139.000 €	300.000 €	250.000 €
Director	110.000 €	154.000 €	250.000 €	110.000 €	205.000 €	300.000 €	359.000 €
Managing Director	205.000 €	235.000 €	275.000 €	250.000 €	383.000 €	500.000 €	618.000 €



## 2 Data

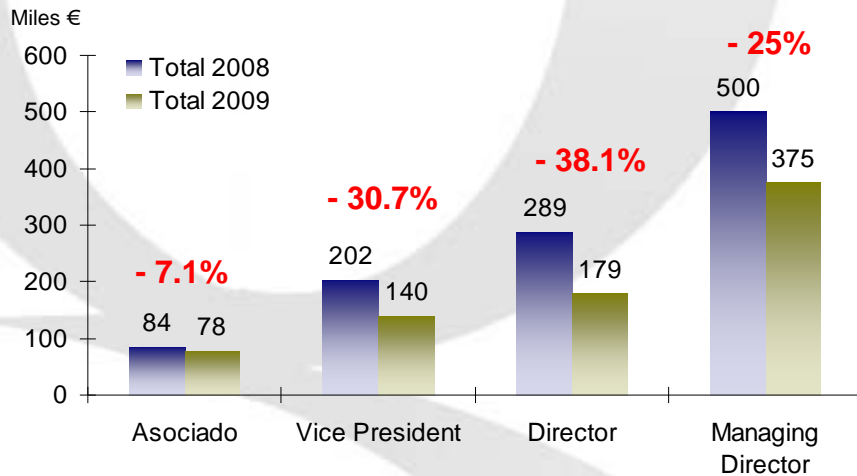
### Salary Structure for Mergers & Acquisition



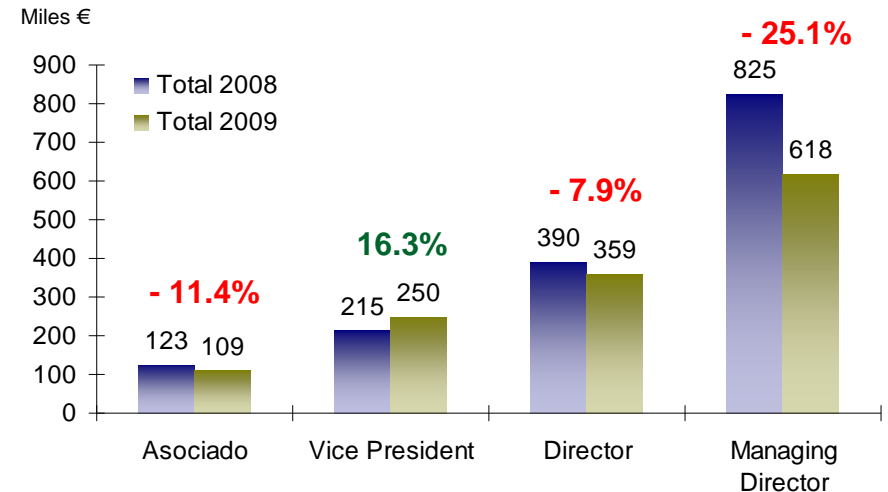


## 2 Data - Leveraged & Acquisition Finance vs. M&A

Inter-annual Comparative (Fixed + Variable) L&AF



Inter-annual Comparative (Fixed + Variable) M&A



If we compare total remuneration for L&AF and for M&A we can observe that the decrease in total salary has been much more significant percentually in the case of VPs and Directors in L&AF than for their counterparts in M&A.

In the case of Associates, the decrease was more pronounced in M&A, fundamentally due to the disproportionate growth in salary that this professional category had experienced in previous years.

Lastly, in the case of Managing Directors, the correction was equally proportionate in both sub-sectors.



## 2 Data

Other characteristics of remuneration policies in the form of non-monetary benefits are:

	LIFE INSURANCE	HEALTH INSURANCE	MEAL VOUCHERS	PENSION PLANS	COMPANY CAR	OTHERS*
Associate	62%	83%	65%	63%	10%	67%
Vice President	60%	83%	81%	52%	14%	76%
Director	52%	82%	56%	59%	33%	75%
Managing Director	78%	100%	44%	67%	22%	100%

\*Others: Gym membership, car leasing, parking, stock options, cell phone, laptop, daycare vouchers, accident insurance, store discounts, corporate credit card, etc.



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### 3 Conclusions

- The point of departure for this edition of the study is quite different than that of previous years as the universe analyzed is the same (national and international banks and specialized boutiques), but the particular situation of each individual entity varies greatly:
  - ✓ Some Investment banks that were important players in the sector no longer exists (for example Lehman Brothers), and their professionals have been incorporated into other Banks, the Big Four, Boutiques, large corporations and entrepreneurial projects.
  - ✓ Many of the principal players (especially the large international banks) have “slimmed down” their Investment Banking departments (most notably in L&AF), letting those professionals with the highest salary levels go.
  - ✓ With only these two points in mind, one can already explain the decrease in fixed income of M&A and L&AF professionals.





### 3 Conclusions

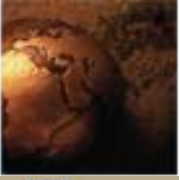
- Since the end of 2007, financial markets across the world have suffered a financial strangulation provoking enormous difficulties in obtaining financing.
- Since there is less financing available, the deals managed by Leveraged Finance has diminished considerably in comparison to previous years. This situation has provoked important adjustments in bonuses (the part of salary linked to objectives) of the professionals that work in the sector.
- The M&A market has also been affected, being fewer possibilities for ready financing, the number of acquisitions and sales operations has decreased, especially when one keeps in mind the past few years during which the market experienced spectacular levels of growth.
- Lastly, we must note that the bonuses reflected in this study were not included in the averages calculated for those entities that have yet to pay bonuses for this year.



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## 4 The Firm

 is the second oldest firm in the profession and is one of the most prestigious executive search firms in the world.

As one of the founders of AESC (The Association of Executive Search Consultants), it assisted in developing the Ethical and Professional Codes for the sector, still conscientiously maintained in the firm to this day.

Signium has a network of 45 offices, strategically distributed in 29 countries with more than a 150 high-qualified consultants. Although the technical resources and quality standards are the same for each of our offices, the Signium Board constitutes partners from each region, thus representing the diversity and global nature of the firm. It is our partners who are responsible for managing strategy, communications and teams throughout the organization. In this manner, we achieve constant quality standards and methodology.

In the Iberian market, Signium International is represented by Bao & Partners with three offices: Madrid, Barcelona and Lisbon. Our team of 30 people has more than 450 cumulative years of experience, more than 150 of which are in Executive Search.

Ignacio Bao is currently Worldwide Chairman of Signium International



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- ▶ Mexico City
- Panama
- ▶ Panama
- Venezuela
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- ▶ Amsterdam
- Ireland
- ▶ Dublin
- Italy
- ▶ Milan
- Poland
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- Portugal
- ▶ Lisbon
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- ▶ Singapore

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## BARCELONA

Avda. Diagonal, 600 – Pral. 1<sup>a</sup>  
08021

Tel.: +34 93 362 1211

Fax: +34 93 362 1212

## MADRID

C/ Serrano, 76 - 3<sup>o</sup>  
28006

Tel.: +34 91 781 5210

Fax: +34 91 781 5219

## LISBON

Avenida da Liberdade, 110 - 1<sup>o</sup>  
1269-046

Tel. +351 21 340 4600

Fax. +351 21 340 4575

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